

AIRCRAFT EXCISE TAX
RCW 82.48

Tax Base Aircraft used within the state. Because of the exemption of interstate commercial aircraft, the tax applies mainly to private owners of small planes used for personal or business purposes.

Tax Rate The tax consists of an annual fee based on the type of aircraft:

Single engine, fixed wing.....	\$ 50
Small multi-engine, fixed wing	65
Large multi-engine, fixed wing.....	80
Turboprop multi-engine, fixed wing.....	100
Turbojet multi-engine, fixed wing	125
Helicopters.....	75
Sailplanes, lighter-than-air, home-built	20

Levied by State

Recent Collections (\$000)

<u>Fiscal Year</u>	<u>Collections</u>	<u>% Change</u>	<u>% of All State Taxes</u>
2001	\$222	(1.8)%	0.0%
2000	226	(1.3)	0.0
1999	229	0.4	0.0
1998	228	3.6	0.0
1997	220	(5.6)	0.0
1996	233	1.7	0.0
1995	229	1.0	0.0
1994	227	(4.4)	0.0
1993	237	(2.0)	0.0
1992	242	2.6	0.0

Distribution of Receipts

90% state general fund
10% aeronautics account within the general fund, used for administrative expenses.

Administration

Department of Transportation. Every aircraft must be registered for each calendar year in which it is operated within the state. The tax is collected by the Aviation Division of DOT when the aircraft is first registered and is subsequently paid annually during January of each year. There is no late penalty, but the owner is required to pay the full amount of the tax regardless of the delay. Possession of the appropriate effective federal certificate, permit, rating or license relating to the ownership and airworthiness of the aircraft are requisites for registration of an aircraft. The Department of Revenue is authorized to collect unpaid aircraft excise tax.

Exemptions

- aircraft owned and used exclusively by any governmental entity;
- aircraft registered in other countries;
- aircraft owned by nonresidents, if located in Washington for less than 90 days;
- commercial aircraft used in interstate or foreign commerce;
- aircraft used by the manufacturer for testing, experimental and training purposes;
- aircraft held for sale by dealers;
- refund for any excessive tax paid
- aircraft owned by nonresidents kept at a Washington airport that is jointly owned by governmental entities from this state and other states, and the owner or operator has paid all taxes, licenses, and registration fees required by the state in which the owner or operator resides.

History

The tax was established in 1949 with a rate of 1.0 percent of fair market value. Previously, aircraft were subject to personal property tax. In 1967, the tax was changed from a percentage of fair market value to a flat fee of \$15 for single engine planes and \$25 for multi-engine planes. In 1983, the current schedule of rates was adopted.

Discussion/Major Issues

The tax is levied in lieu of personal property tax. Thus, there is greater uniformity of tax burden for owners throughout the state than might be the case under the property tax. However, the receipts of the tax are not distributed to local taxing districts, and the amount of tax paid does not equal the amount that would be due under the property tax, if aircraft were assessed on the basis of fair market value. There is no apparent rationale for the dollar amount of the flat fees which are assessed against particular types of aircraft.